

CUSHING, MORRIS, ARMBRUSTER & JONES, LLP

ATTORNEYS AT LAW

2110 PEACHTREE CENTER INTERNATIONAL TOWER

229 PEACHTREE STREET, N.E.

ATLANTA, GEORGIA 30303

WRITER'S DIRECT DIAL NUMBER

TELEPHONE
404 521-2323

(404) 614-8105

TELECOPIERS
404 658-9865
404 522-0607

April 8, 1998

RECORDATION NO. 21324 FILED

APR 9 '98

12-12 PM

VIA FEDERAL EXPRESS

Secretary
Surface Transportation Board
1925 K Street, N.W., room 715
Washington, D.C. 20423-0001
Attention: Recordation Unit

Re: Lease

Dear Secretary:

On behalf of Progress Rail Canada, I am submitting for recording an original and several counterparts of a primary document, not previously recorded, entitled "Memorandum of Lease Agreement" dated as of April 1, 1998. Also enclosed are a check for \$26 payable to "Surface Transportation Board" and two copies of this letter of transmittal.

The names and addresses of the parties to the document are as follows:

Progress Rail Services Corporation d/b/a Progress Rail Canada (Lessor)
1250 Rene Levesque Boulevard West, Suite 2200
Montreal, Quebec
Canada H3B 4W8

Canadian National Railway Company (Lessee)
935 de La Gauchetiere Street West
Montreal, Quebec, Canada H3B 2M9
Attention: Treasurer

The equipment covered by the document is four hundred fifty (450) 50 ft. 100-ton, Plate C boxcars with rigid underframes and 10 ft. sliding doors, having a minimum load limit of 195,000 lbs., built in 1968, bearing the reporting marks and numbers SLGG 10000 through 10449.

A short summary of the document to appear in the index is as follows: "Lease between Progress Rail Services Corporation d/b/a Progress Rail Canada, 1250 Rene Levesque Boulevard

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Secretary, Surface Transportation Board

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West, Suite 2200, Montreal, Quebec, Canada H3B 4W8, as lessor, and Canadian National Railway Company, 935 de La Gauchetiere Street West, Montreal, Quebec, Canada H3B 2M9, Attention: Treasurer, as lessee, dated as of April 1, 1998, and covering four hundred fifty (450) 50 ft. 100-ton, Plate C boxcars with rigid underframes and 10 ft. sliding doors, having a minimum load limit of 195,000 lbs., built in 1968, bearing the reporting marks and numbers SLGG 10000 through 10449."

Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra counterparts not needed by the STB, together with the fee receipt, the letter from the STB acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,



William M. Ellard

WME/lf
Enclosures

APR 9 '98

12-12 PM

MEMORANDUM OF LEASE AGREEMENT

1. Progress Rail Services Corporation d/b/a Progress Rail Canada ("PRSC"), and Canadian National Railway Company ("CN") have entered into a Lease Agreement dated as of April 1, 1998 (the "Lease Agreement"), pursuant to which PRSC has agreed to lease to CN four hundred fifty (450) 50 ft. 100-ton, Plate C boxcars with rigid underframes and 10 ft. sliding doors, having a minimum load limit of 195,000 lbs., built in 1968, meeting specifications described in an exhibit to the Lease Agreement, and bearing the reporting marks and numbers attached hereto as Exhibit A.

2. The addresses of the parties are as follows:

Progress Rail Services Corporation d/b/a Progress Rail Canada (Lessor)

1250 Rene Levesque West, Suite 2200
Montreal, Quebec, Canada H3B 4W8

Canadian National Railway Company (Lessee)

935 de La Gauchetiere Street West
Montreal, Quebec, Canada H3B 2M9
Attention: Treasurer

3. The term of the lease is for five (5) years, commencing on April 1, 1998.

4. The terms and provisions of the lease are more particularly set forth in the Lease Agreement between PRSC and CN.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of April 1, 1998.

PROGRESS RAIL SERVICES CORPORATION
d/b/a Progress Rail Canada

By: [Signature]
William P. Ainsworth, President

[CORPORATE SEAL]

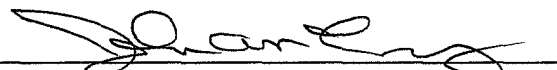
CANADIAN NATIONAL RAILWAY
COMPANY

By: [Signature]
Sean Finn, Treasurer and Principal Tax
Counsel

[CORPORATE SEAL]

PROVINCE OF QUEBEC)
DISTRICT OF MONTREAL) ss

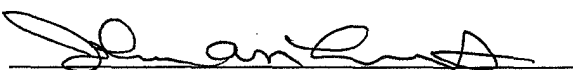
On the 19th day of March, 1998 before me personally appeared William P. Ainsworth, to me personally known, who being by me duly sworn says that he is President of Progress Rail Services Corporation d/b/a Progress Rail Canada, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Commissioner for Oaths
My commission expires: 9/14/98

[SEAL] JOHN LAMONT
Commissioner for Oaths
Commissaire à l'Assermentation
Province of Quebec
Expires September 14, 1998

PROVINCE OF QUEBEC)
DISTRICT OF MONTREAL) ss

On the 30th day of March, 1998, before me personally appeared Sean Finn, to me personally known, who being by me duly sworn says that he is Treasurer and Principal Tax Counsel of Canadian National Railway Company, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Commissioner for Oaths
My commission expires: 9/14/98

[SEAL] JOHN LAMONT
Commissioner for Oaths
Commissaire à l'Assermentation
Province of Quebec
Expires September 14, 1998